United Nations Industrial Development Organization

Distr.: General
21 January 2014

Original: English

General Conference
Fifteenth session

Summary record of the 1st meeting
Held at the Westin Lima Hotel and Convention Center, Lima, on Monday, 2 December 20013, at 10 a.m.

Temporary President:	Mr. González	(Ecuador)
President:	Ms. Triveño	(Peru)
Later:	Mr. Scharinger (Vice-President)	(Germany)

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The meeting was called to order at 10.15 a.m.

Opening of the session

1. **The Temporary President** called the Conference to order.

2. *At the invitation of the Temporary President, the Conference observed a minute of silence for prayer or meditation.*

3. **The Temporary President**, welcoming the President of Peru, the United Nations Secretary-General, the Director General of UNIDO, the numerous ministers present and all other participants, said that the presence of the Secretary-General at the session demonstrated clearly the commitment of the United Nations to UNIDO and the significance of UNIDO for the future of industrial development. On behalf of all delegations, he wished to thank the Director General for the meticulous work that he and his team had undertaken in preparing for the session over the course of many months. The events planned for part of the session would undoubtedly result in a useful exchange of ideas, the forging of new partnerships and fresh ideas on ways to promote new and equitable best practices in industry.

4. For his country, Ecuador, it had been a privilege to preside over the fourteenth session of the General Conference. That responsibility had coincided with the period of transition following the election of the new Director General, who had brought to that role a vision of hope embodied in the concept of inclusive and sustainable development. That concept was the cornerstone of the proposed Lima Declaration, which he trusted would be adopted by acclamation during the session. The need to promote healthier societies, prosperous markets and solid economic progress for the well-being of future generations was something on which all agreed. Speaking as a "citizen of the South", he said that the countries of the South sought industrial development that was guided by human rather than purely financial needs.

5. Many of the participants in the current session believed that UNIDO stood at a crossroads from which many paths led. The decision by some Member States to withdraw from the Organization, while it must be respected, could be interpreted as a lack of confidence in the role of the Organization as a global model for industrial development, especially for low- and middle-income countries. However, the decisions adopted at the current session would undoubtedly play a key role in the Organization's future success. UNIDO should be the driver of industrial development plans and serve as the means by which national efforts to achieve economic sustainability and reactivation of the productive sector could be made viable. The Director General would undoubtedly lead with success that historic process, in which he had the firm support of all Member States.

6. UNIDO had a unique opportunity to become the optimal vehicle for more inclusive, equitable and dynamic industrial development. It should be the guardian of a new world industrial order in which countries could achieve competitiveness, quality and efficiency without neglecting to provide their workforce with decent earnings and social security, and in which they could develop good manufacturing practices that ensured protection of the environment. That opportunity must not be missed. The new UNIDO of the twenty-first century should strive vigorously to fulfil the hopes placed by millions in inclusive and sustainable development.

7. He had no doubt that UNIDO would endeavour to ensure good results for countries for which appropriately guided industrial development was a vehicle for social and economic development.

Election of officers

8. **The Temporary President** said that the candidates for the posts of officers of the Conference communicated by the chairs of the various regional groups were as follows: for the post of President, Ms. Gladys Triveño of Peru; for the Vice-President posts, Mr. Scharinger (Germany), Mr. Aguilera Peralta (Guatemala), Mr. Varga-Koritar (Hungary), Mr. Najib (Iraq), Mr. Yamamoto (Japan), Mr. Oyugi (Kenya), Mr. Azeez (Sri Lanka) and Ms. Mutandiro (Zimbabwe).

9. *The candidates were elected by acclamation.*

10. *Ms. Triveño (Peru) took the Chair.*

11. **The President** welcomed the fact that the current session of the General Conference had made Lima the centre of the international debate on industrial development. There were numerous paradoxes in Peru, such as the suffering of farmers who were obliged to accept only US$ 2 for a kilo of alpaca wool to produce a scarf sold on the international market for US$ 100, or only a few dollars for a single trunk of mahogany

sufficient to furnish a European home for US$ 5,000. The idea of bringing the General Conference to Peru to address industrial policies was connected to such paradoxes; stories that were Peruvian but could well be those of many of the countries participating in the session. The core issue was how to change stories of poverty into stories of development and success. Peru was determined to change those stories and to address the need to make greater progress in industrialization and the diversification of production, which was why it had invited UNIDO to the region. The theme of the session, "Towards partnerships for a new industrial revolution for inclusive and sustainable growth", was intended to highlight two key aspects of industrialization. The first was its essential role in achieving better living conditions for all and ensuring the long-term sustainability of those conditions, which would require social and environmental aspects to be taken into account in the formulation of policies for industrial growth. The second was the importance of establishing and strengthening partnerships between countries on the basis of their industrial complementarities in order to achieve greater diversification and sophistication of production. While there were great differences in the degrees of industrialization of Member States, all should be involved in that process, particularly since the growth of some would mean expanded markets for others. Owing to the work of UNIDO in that area, industrial policies were now high on the global development agenda and had undoubtedly contributed to the successful industrialization experiences of a number of countries, including some of the least developed countries. Thus, the efforts of Member States, with the assistance of the United Nations system and UNIDO, to promote industrial development, add value to resources and sell products on international markets would make it possible to address the paradoxes faced by countries whose economic growth was failing to bring about greater equality. She was fully confident that the deliberations of the Conference would lead to conclusions and commitments facilitating greater progress towards sustainable development.

Opening of the session (*continued*)

12. **Mr. LI** Yong (Director General) said that it was a historic day; several hundred delegates from all over the world had returned to Lima to discuss the world's industrial future, almost 40 years after Lima had first hosted a UNIDO General Conference in 1975. On that occasion, it had been decided that the developing countries' share in industrial production should be increased and that UNIDO should be converted into a specialized agency. Both of those objectives had been achieved.

13. At the current session, Member States would once again help define the global framework for a more prosperous industrial future. They would adopt a new Lima Declaration, which would shape the next era of globalization — the era of inclusive and sustainable industrial development.

14. He thanked the Government of Peru, in particular President Humala, and congratulated him, his Ministers — Ms. Gladys Triveño, Minister of Production, Ms. Eda Rivas, Minister for Foreign Affairs, and Ms. Magali Silva, Minister of Foreign Trade and Tourism — and their teams on the work they had carried out with UNIDO to organize the fifteenth General Conference session — the first to be held outside Vienna for twenty years. There was no better place to hold the Conference than Peru, which had embarked on a successful journey of economic diversification and industrial transformation to create jobs and reduce income inequality. Its leadership in convening the world's countries to advance industrial development and cooperation was remarkable.

15. He also paid tribute to Mr. de Maria y Campos and Mr. Yumkella and thanked them for their attendance.

16. Since his election to the post of Director General in June 2013, he had visited many Member States and spoken with many of the conference participants about how to advance universal well-being in an inclusive and sustainable manner and create jobs for the millions of people who were currently excluded from decent employment.

17. During the previous few days in Lima, leaders from the least developed countries had debated and agreed upon how to create substantial employment opportunities by diversifying their economies and developing labour-intensive industries. At the same time, Ministers of Industry from Latin America had discussed how their economies could be better interlinked in order to create flourishing industries throughout the continent. In Africa, the African Union leaders had decided that industrialization would be a priority in their development plan for the following

fifty years. And more than seventy middle-income countries had adopted an industry-centred declaration in June 2013 in Costa Rica, recognizing that an expansion of industry increased the demand for primary goods and for services. The same story was seen in the countries of the North, an example being the plans of the European Union (EU) for developing advanced industries.

18. In order to eradicate poverty and increase prosperity for all, it was necessary to accelerate economic growth, driven by industrial development. More should be done to advance industrialization in all countries so that they could create jobs and opportunities.

19. As delegations in New York formulated the post-2015 development agenda, it was important to define a global goal based on inclusive and sustainable industrial development. In New York, more than twenty-five ambassadors had established the "Friends of Inclusive and Sustainable Industrial Development" group in order to contribute that message to negotiations on the agenda, including the Sustainable Development Goals.

20. UNIDO had always participated actively in system-wide United Nations initiatives, including the Global Compact, the "Delivering as One" initiative and the Sustainable Energy for All initiative, and would remain a strong and loyal partner in the implementation of all global initiatives in the post-2015 development landscape. Its vision of inclusive and sustainable industrial development was consistent with the Secretary-General's vision of sustainable development.

21. Globalization was a worldwide success story and many countries had reaped its rewards. Historically, economic advancement had depended on industrial development. Over the previous thirty years the world had seen major changes, not least in China. Industrialization and the related structural change had helped lift large sections of the population out of poverty. GDP per capita in China at current prices had risen from US$ 228 in 1978 to over US$ 6,000 in 2012, and industry had been the driving force.

22. As industrialization proceeded, the quality of jobs improved; besides higher wages, more advanced manufacturing jobs offered workers better benefits and increased security. On that basis, prosperity could be shared throughout society, stabilizing the global economy. No country or society should be denied such progress.

23. Governments, the private sector, civil society and the organizations of the United Nations system must work together. Women and young people must be included through economic empowerment and through the development of entrepreneurship in all countries. Industrial development must become inclusive.

24. History had shown that industrial development needed to take place within an environmentally sustainable framework. Industry caused major emissions and had an important environmental footprint. Indeed, every country in the world was struggling with the issues of waste management, water purification and emission reduction — that continued to be a major learning process. States had to realize that there was no alternative to rapid reform to achieve sustainability. They must increase energy efficiency, reduce emissions, use their scarce resources more efficiently and effectively and advance their cleaner production capabilities. With the right technologies and policies, industrial growth and sustainability could and must go hand in hand.

25. Many countries had already achieved higher levels of sustainable development, to the benefit of their peoples. It was important to learn from those who had succeeded, study their ideas and policies and intensify efforts to eradicate extreme poverty within the next generation. It was vital to create shared prosperity.

26. All those challenges would require new approaches that harnessed available knowledge and innovation though global knowledge exchange and technology transfer. UNIDO had worked on bringing together the right partners and Governments to exchange knowledge in all areas of industrialization. Various conferences and platforms had resulted in important programmes and partnerships. Multi-sector partnerships should be expanded since they were critical for promoting industrial development. Industrialization was a holistic structural transformation, and networks for prosperity must be created.

27. The global financial crisis had shown that industry made countries less vulnerable to rapid economic changes and more resilient. The world was

more interdependent than ever and it was crucial to work together to eradicate global poverty within the next generation. New strategies were required for working towards inclusive and sustainable industrial development. To achieve that, UNIDO would need to provide strong support to all its Member States, through the effective and efficient implementation of the guidance provided in the new Lima Declaration. That in turn would require political and financial support and adequate human resources. UNIDO should become a strong partner for prosperity.

28. The new Lima Declaration would determine the future agenda of inclusive and sustainable industrial development. The Conference session would shape the future operations, strength and direction of UNIDO and determine the nature of the next era of globalization. He counted on the engagement, support and leadership of Member States.

29. In a video recording, **Mr. LI** Keqiang (Prime Minister of China) congratulated the Government of Peru on its organization of the fifteenth session of the General Conference.

30. Industrial development, giving rise to modern economies, was an embodiment of the wisdom and creativity of humanity. However, traditional industrial growth, while creating wealth, transforming lives and allowing modernization, had proved unbalanced and unsustainable. The theme of the current session, "Inclusive and Sustainable Industrial Development", pointed to a crucial task that all countries faced.

31. Inclusiveness and sustainability were mutually reinforcing aspects of industrial development. Inclusive industrial development meant raising levels of industrialization in developing countries, improving people's lives and lifting more people out of poverty. Developed countries should provide more assistance to developing countries in their efforts to integrate in the global modernization process.

32. Sustainability, meanwhile, required a new form of industrialization that focused even more on resource conservation, environmental protection, better use of human capital, managerial innovation and technological progress. Green development could be achieved through economic transformation and the global promotion of industrial development and modernization.

33. As a large developing country with a population of 1.3 billion, China would continue to give top priority to development and the well-being of its people. It would work to deepen reform, open up still more to the rest of the world, pursue an innovation-driven strategy, improve its industrial sector and pioneer a new path of industrialization. As China became increasingly involved in global value chains, it would strive to upgrade its economy and would work with other countries, particularly developing countries, to achieve shared development and prosperity.

34. The Government of China appreciated the extensive efforts made by UNIDO to help developing countries with their industrial development. It would fully support UNIDO and Mr. LI Yong and would work closely with other Member States to explore a new form of industrialization and promote inclusive and sustainable industrial development.

35. He wished the Conference success in its current session.

36. **Mr. Ban** Ki-moon (Secretary-General of the United Nations) expressed appreciation to the Government of Peru for hosting the General Conference. He congratulated Mr. LI Yong on having assumed the post of Director General of UNIDO and commended his leadership and strong commitment to mobilizing the Organization's capacity to realize inclusive and sustainable industrial development.

37. Almost 40 years previously, United Nations Member States had gathered in Lima to adopt the Lima Declaration on Industrial Development and Cooperation. That declaration had been a milestone. It had aimed to increase the developing countries' share of world industrial production and paved the way for UNIDO to become a specialized agency. Both objectives had been achieved. At the current session of the General Conference, delegations would decide upon a second Lima Declaration calling on UNIDO to support its Member States in achieving inclusive and sustainable industrial development. That new framework document would be the basis for the future work of UNIDO as the central agency in the United Nations system for all matters related to industrialization.

38. The world faced three overarching challenges: to accelerate action towards achieving the Millennium Development Goals (MDGs); to define a new

development agenda; and to reach a new legal agreement on climate change. The deadline for all those objectives was 2015. The next two years would thus be crucial in steering the global population on a safer, more prosperous and sustainable path. Industry and the private sector would play an important part in that process, but there were also three ways in which UNIDO could contribute.

39. Firstly, the Organization could help shape and implement the post-2015 development agenda and build on the impressive progress made towards achieving the MDGs. The development goals could not be achieved without close partnership with industries that promoted growth and employment. Poverty could not be eradicated without industries that promoted innovation and technology transfer. Industrial development could also be a powerful force for social development through the creation of opportunities for women and young people.

40. Secondly, UNIDO could work with industries to promote environmental sustainability. The industrial sector needed to assume greater responsibility for ensuring cleaner production, protecting resources, improving resource efficiency and emphasizing sustainable consumption. Countries should also work together to realize the three goals of the Sustainable Energy for All initiative. Sustainable energy was the golden thread that linked economic growth, social equality, environmental sustainability and a stable climate.

41. Lastly, UNIDO could help meet the climate challenge. Climate change was a serious threat to the development and prosperity of all nations. The decisions adopted at the recent nineteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (United Nations Climate Change Conference) constituted an important step towards reaching a universal legal agreement in 2015. However, greenhouse gas emissions continued to rise. More and faster progress was needed and climate finance would be a crucial factor.

42. UNIDO should contribute its insights and technical expertise to the United Nations Climate Summit to be held in September 2014 in order to support a rapid transition to more climate-friendly industrial models. The aim was to catalyse action on the ground and high-level political support for the universal legal agreement on climate change. In December 2014, Peru would be hosting the twentieth United Nations Climate Change Conference in Lima. The strong leadership and commitment of President Humala and the Government of Peru would be crucial in laying the foundations for limiting the rise in global temperatures within and below 2 degrees Celsius, which would be a very important step towards the meeting in Paris in 2015.

43. The world was at a turning point, facing formidable challenges. A growing global population meant that more goods and services must be produced using ever fewer resources and emitting ever less waste and pollution. However, there was a wealth of opportunities for common progress. Knowledge and technology continued to advance. There were more and more examples of progress and success that could be scaled up with the right policies, incentives and investments.

44. He wished delegations success during the fifteenth session. Countries should work together and demonstrate the political will to make the world a better place and shape the future work and mandate of UNIDO. The Member States had a moral and political responsibility to ensure that the next generation could live without fear and in an environmentally hospitable and sustainable world.

45. **Mr. Humala Tasso** (President of Peru) said that it was a great honour for his country to be hosting the fifteenth session of the UNIDO General Conference, in line with its commitment to promoting dialogue and cooperation as the way to deal with matters affecting the international community, especially those relating to the problems of peace, security, development and action against poverty. His country's commitment to the well-being of humanity was shown by its active participation in various United Nations bodies, its total respect for international law and order, its integrationist approach and its desire to work for a better world.

46. That could be achieved only through united action and solidarity, since human history had brought the world to a situation in which the interdependence of peoples and territories was such that no problem could be considered in isolation. There was no such thing as a unilateral solution.

47. The situation in the current globalized era was very complex. Numerous actors, problems, challenges and threats were interwined. Some phenomena, like global warming, were predictable, while others, such as refugee flows following natural disasters, were not. Some required immediate and urgent attention, such as changes in a world financial centre, others less so, like some forgotten diseases afflicting the third world. At the same time, the situation offered opportunities that should be grasped. The proper use of technological development, the close links between people and intercultural relations, the growing openness of markets and the dissemination of ideas and knowledge were all useful tools in the task ahead.

48. In that connection, the question facing the General Conference concerned not only some of the most serious problems of humanity, such as poverty and inequality, but also one of its most hopeful opportunities, in the form of industrialization. Poverty was a multidimensional problem, existing even in the most advanced societies, and should be tackled in an integrated manner. It was also a question of justice: mechanisms should be established to bring about a greater and fairer distribution of wealth, the implementation of cross-cutting public policies and, above all, the challenge of building truly democratic societies. Poverty was thus bound up with the challenge of development.

49. Industrialization formed part of the most significant change in human affairs over the past 10,000 years, giving rise to new ideas about wealth and changing people's lives. It involved a huge step forward for humanity, not only in economic and technological terms but also from the social, political and cultural points of view. It established new rules and priorities, changed forms of behaviour and set the parameters of success, propelling the world into modernity.

50. At the same time, it led to a social order that accentuated and widened the gap between rich and poor, while an international economical order based on a division of labour that benefited only a few countries at the expense of the others gave rise to the greatest ideological polarization of contemporary history. The solution to such problems was the development of sustainable industrialization. Conditions had changed and it was within the reach of practically everybody to break the logical progression of the current international order. That situation was illustrated by the fact that the most significant developments in industrial production were taking place in third world countries.

51. Peru had always believed in the role of industrialization as an instrument of economic growth and social progress. That belief was set out in the Lima Declaration and Plan of Action of 1975, when Peru had hosted an earlier UNIDO General Conference. However, the goals set out in the Declaration had not been attained in Peru and the country's industrialization had been half-hearted, oriented towards low added-value activities, which meant that its productive structure had not been sufficiently developed. As a result, low added-value products for export had doubled, which left the economy vulnerable to external factors. The situation must be corrected.

52. Peru believed that there could be no sustained growth without a stable political and macroeconomic environment, with low inflation rates and healthy fiscal accounts. Such an environment had been created, enabling the economy to grow very fast over the past few years. However, it was not enough to attain growth if the benefits did not reach everybody. The Government had thus replaced the promotion of growth for inclusion by the promotion of inclusion for continued growth. That was the way to achieve sustainability. The focus was therefore currently on mechanisms for income distribution, so that all citizens, no matter where or how they lived, could have greater opportunities. The Government was implementing an ambitious strategy of social inclusion, with second-generation social programmes, that went far beyond poverty alleviation and stressed the need to improve capacities, education and nutrition and to encourage labour and financial integration.

53. It was therefore essential to diversify the productive base. With that in mind, the country would shortly launch a national industrial development plan.

54. The first priority of the plan was to ensure that the State became a facilitator of private investment in industrial activities and not an obstacle. The State would seek to speed up and improve connections between regions so as to open up their markets.

55. Secondly, the State would lead a process of labour reconversion so that millions of Peruvians could obtain good-quality employment in industry and so that

businesses could be more productive. At the same time, the State would continue preparing young people to integrate into the labour force of an industrialized Peru in the decades to come.

56. The third element of the strategy was to attract foreign investment, with the aim of making Peru an attractive destination for top-level transnational corporations interested in consolidating an effective presence in Latin America. To that end, Peru offered the possibilities of an expanding domestic market and networks of trade agreements enabling the country to join a market of four billion consumers. The country also enjoyed political, macroeconomic and social stability and the support of the most important international risk-assessment institutions.

57. The final aspect of the strategy would include attention to the least favoured regions in the industrialization process. Such areas did not have the necessary infrastructure and other productive factors to engage in industrial activities with high technological content. It was, however, possible to promote local development by improving and standardizing traditional production techniques, thereby generating added value.

58. Peru would also reform State institutions and extend the middle class. To that end, it had produced initiatives in health, education and the civil service, with a view to helping young people. The Government had an ambitious strategy to improve the construction of roads, ports and airports to help the young and the poorer communities of the country so that industrialization would benefit the whole country. The matter must, however, be tackled globally: an inclusive approach was required, since it was the responsibility of Governments to ensure the future of the planet. Inclusive sustainable industrialization, achieved through technology transfer, was the best way forward.

59. *Mr. Scharinger (Vice-President) took the Chair.*

60. **Ms. Luveni** (Minister for Social Welfare, Women and Poverty Alleviation of Fiji), speaking on behalf of the President of the Group of 77 and China, said that she looked forward to the outcomes of the eight forum events on the theme of the new industrial revolution. She also looked forward to the formal adoption of the Lima Declaration, which was an important document agreed by consensus following informal consultations led by the President of the Industrial Development Board. The Group of 77 and China endorsed the underlying principle of the Lima Declaration, recognizing that poverty eradication remained a global challenge and an indispensable requirement for sustainable development. The post-2015 development agenda should reinforce the commitment of the international community to poverty eradication.

61. UNIDO had a unique role as a key driver in supporting Member States in achieving the goal of inclusive and sustainable industrial development. Ever since the Industrial Revolution, manufacturing had been the engine of growth and currently accounted for some 31 per cent of global gross domestic product (GDP). No country had become prosperous in terms of per capita GDP without achieving significant advances in industrialization and productivity. The two fundamentals for steady economic growth were investment — both foreign and local — and technology. The development trajectory of both industrialized and developing countries depended on the dynamic influence of finance, investment and trade, and innovation.

62. For many developing countries, particularly low-income countries, the achievement of social and economic progress depended largely on human capital and commodities. The Group of 77 and China noted with appreciation that UNIDO services in agribusiness, trade and job creation helped reduce poverty. In that connection, women, particularly women entrepreneurs, played a crucial role in achieving poverty eradication, economic growth and sustainable development. If women's income increased, more of the population would attain well-being, since it was well known that women tended to spend more resources and time on family welfare and their children. UNIDO should continue using a variety of mechanisms to support women's economic participation and empowerment. That could be achieved by addressing gender issues in sectors with a high potential for wealth creation, food security or export promotion. UNIDO should also step up projects for productive work for young people in developing countries.

63. With a growing youth population in many parts of the developing world, it was imperative that UNIDO programmes should, in collaboration with national Governments, help create full employment and decent work for all, particularly young people. The initiatives by UNIDO to create better linkages among value-chain

actors and to promote investment in the agribusiness sector were welcome. That approach enhanced the level of inclusive and sustainable industrial development by expanding and diversifying manufacturing value added, with a resulting increase in jobs and improved capabilities for sustainable development.

64. As a key contributor to growth, industry must be decoupled from increased raw-material use and the consequent negative environmental impact. Industry must play its part in becoming significantly cleaner and more efficient. In that connection, she acknowledged the Organization's work in promoting green industry and sustainable development by scaling up and mainstreaming proven methods and practices for reducing pollution and resource consumption in all sectors. To enable developing countries to overcome the obstacles confronting them, it was important to bridge the technological divide to promote sustainable development. UNIDO must continue to play its role of catalyst to promote renewable energy for industrial applications.

65. One of the major challenges was the environment. Energy use contributed significantly to air pollution and other forms of environmental degradation in many developing countries. Various renewable-energy technologies had improved to the extent that they could currently be provided at lower cost and it would therefore make sense for Governments and businesses to invest in renewable energy.

66. The role of technology was particularly important for developing countries embarking on a new industrial revolution. According to a recent study, technology-dependent growth accounted for 80 per cent of the income divergence between rich and poor countries since 1820. It was therefore essential for developing countries to gain greater access to technology transfer on favourable terms. The international community must take urgent action to bridge the technology divide and promote industrialization and inclusive growth across the developing world. That included reforming the international intellectual property regime with a view to facilitating technology catch-up for developing countries and making a concerted effort to establish a technology transfer mechanism, including the establishment of a technology bank for the least developed countries.

67. Every country had primary responsibility for its own development and the right to determine its own development path and appropriate strategies. However, she appealed to the industrialized countries not to kick away the ladder on which they themselves had climbed to their current levels of industrialization. Developing countries needed an international enabling environment to complement their national efforts for inclusive and sustainable industrial development. In that connection, macroeconomic policies, including policies on international trade, finance and debt management, were critical to the creation of such an enabling environment for growth and sustainable development.

68. With a view to advancing the post-2015 development agenda, it was time to seize the opportunity to launch a new industrial revolution based on the principle of inclusive and sustainable industrial development. The Group of 77 and China saw UNIDO as an organization committed to promoting, dynamizing and accelerating industrial development within the United Nations system. It was a noble objective that was within the grasp of the international community.

69. **Mr. Osorio** (President of the United Nations Economic and Social Council) said that the Conference session was taking place at a very opportune moment when the international community was in the process of charting the future development agenda. The outcome of those deliberations would contribute greatly to the ongoing discussion on both the post-2015 development agenda and the sustainable development goals.

70. Moving towards a partnership for a new industrial revolution for inclusive and sustainable growth, Member States were now expected to underline their commitment to inclusive and sustainable industrial development in an important political declaration. The Conference would also highlight the role of industry in inclusive and sustainable development and the need for new partnerships. Finding effective solutions for a more sustainable and human approach had become a necessity and would need the building of strong and multi-stakeholder partnerships. Partnerships were essential, not only for accelerating the achievement of the MDGs, but also for successfully framing the post-2015 development agenda. The collaboration of Governments with the private sector, civil society and

other key stakeholders was vital for achieving economic and social progress.

71. The current challenges required Member States to work closely together to ensure synergies and to enhance the impact of their work. The process of defining solutions to address the sustainable development agenda provided an excellent opportunity to engage the private sector and other relevant stakeholders with the work of the United Nations. As Governments were given responsibilities for implementing national policies to achieve the MDGs, it would be necessary to utilize expertise, resources and capacities from all available sources.

72. The Economic and Social Council placed great emphasis on partnerships for supporting the international development agenda. Since 2008, the Council had been convening an annual Partnerships Forum, which had brought together many senior private sector and foundation representatives to discuss with Governments ways in which partnerships could be strengthened in support of the MDGs. The Council was looking for ways to offer a platform for partners to facilitate a systematic dialogue and knowledge exchange with the relevant development partners.

73. The 2012 United Nations Conference on Sustainable Development (Rio+20) had mandated the integration of the three dimensions of sustainable development, namely social, economic and environmental. In that connection, the new concept of UNIDO of inclusive and sustainable industrial development truly integrated social, economic and environmental dimensions.

74. **Mr. Acharya** (Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States) said that the deliberations that had taken place over the last two days within the framework of the fifth Ministerial Conference of the Least Developed Countries (LDCs) had been an important prelude to the UNIDO General Conference session. Participants at the Ministerial Conference had reviewed the implementation of the Istanbul Programme of Action for the LDCs for the Decade 2011-2020, while also looking towards the post-2015 development agenda. All had stressed that industrial development had a direct and positive link with poverty alleviation. They had agreed that, as one moved towards the goal of eradicating poverty, productive capacity-building through sustainable industrial development, the promotion of competitiveness, value addition and diversification and job-rich and inclusive growth had to be strong pillars of the post-2015 development agenda. Comprehensive partnerships with the traditional as well as the emerging countries and actors would play a crucial role in attaining those objectives.

75. The need for poverty alleviation was more acutely felt in the LDCs and in other developing countries with high levels of poverty. The economies of the LDCs were caught in a low-level equilibrium trap, with a predominance of traditional methods of production and other activities. Even though the level of global poverty had been halved before the deadline set for the MDGs, it was sobering that that goal had not been reached in the LDCs. Despite some progress, 47 per cent of the population in those countries still lived below the poverty line. Supply-side capacity and market access were still big constraints. Although 70 per cent of people lived in rural areas, the contribution of agriculture to GDP was only between 20 and 25 per cent. There was also much hidden unemployment. Many studies had shown that young people and women were bearing the brunt of deprivation. It was important that they should be included in industrial development.

76. The rapid reduction of poverty, human and social development and the building of resilience required a strong focus on productive capacity-building in agriculture and industry. The progress that LDCs had been able to make in human development in the last several decades would not be sustainable if it was not accompanied by sustained growth and income-generating activities for the majority of the population. Speakers at the Ministerial Conference had emphasized the fundamental importance of rapid and sustainable economic growth with productive capacity-building, infrastructure and access to energy. Reliable and affordable energy was essential to a modernized economy.

77. There was a clear message that productive capacity-building should be incorporated into the new agenda. A recent study carried out by the United Nations Secretariat had found that productive capacity-building had to be based on natural capacity with strong national leadership and ownership. It had to be accompanied by facilitatory macroeconomic

policies and good governance. Infrastructure, including access to energy, skill development, private sector development and modernization through technology transfer, diffusion and innovation, and the building of competitiveness and diversification, played a critical role. Comprehensive international support measures were also important. Developed countries should deliver on the commitments they had made in the framework of Official Development Assistance (ODA) and should also consider the "ODA-plus agenda". Trade facilitation, meaningful market access, Aid for Trade and a facilitatory investment regime would play a very important role in accelerating those efforts. South-South cooperation and triangular cooperation would be equally important.

78. As many of the LDCs were in the early stages of development, the right policy framework and strong international support would also help them leapfrog onto a greener economic path. With robust support, they could effectively sidestep many of the traditional brown industrialization processes. Inclusive and rapid economic growth with sustainable industrial development in those countries would be an important contribution to solving many global challenges.

79. **Mr. Zhong** Shan (China International Trade Representative and Vice-Minister of Commerce, China) said that UNIDO had made a series of important achievements by deepening internal institutional reform, continuously strengthening project fundraising and execution capacity, vigorously promoting green industrial development and actively pushing forward international exchange and cooperation in environment and energy.

80. The impact of the international financial crisis was still being felt and there was a long way to go to achieve economic recovery and growth. As countries paid more attention to the development of the real economy, including industry, UNIDO would have a lot to accomplish in the future. He hoped that UNIDO would provide more effective services for industrial development across the world, especially in developing countries.

81. The future priorities of UNIDO should be identified. China supported the notion of inclusive and sustainable industrial development. To realize inclusive industrial development, the key was to improve the industrialization standards of developing countries so as to lift more people out of poverty. At the same time, new industrialization was needed.

82. Funds mobilization capacity should be strengthened so that UNIDO could better fulfil its mission. At present, many developing countries, especially the least developed, were still in the initial stages of industrialization and were in urgent need of help from UNIDO. Member States should continue to provide more support to UNIDO in terms of funds and technology, and UNIDO should further strengthen its cooperative partnership with Member States, relevant international development agencies and the private sector so that it could play a bigger role in helping developing countries industrialize.

83. South-South cooperation and triangular cooperation should be further strengthened through model innovation. China had always been a strong advocate of and active participant in South-South cooperation and would continue to provide funding and technical support. In order to bring benefits to a vast number of developing countries through practical cooperation with UNIDO, the Chinese Government would contribute US$ 20 million to UNIDO between 2013 and 2016.

84. UNIDO should fully participate in the development of the post-2015 development agenda, with a future-oriented view. The new agenda should take development as a common thread, follow a people-oriented approach and focus on poverty reduction. In the meantime, it should accommodate the realities and development stages of different countries and respect their development paths with a commitment to achieving balanced, sustainable and inclusive growth. It was hoped that UNIDO would play a bigger role in developing and implementing the post-2015 development agenda.

85. The Third Plenum of the Eighteenth Central Committee of the Communist Party of China, concluded in November, had outlined a master programme for the country's comprehensive deepening of reforms. China would promote innovation-driven growth, optimize industrial structure and accelerate eco-civilization building. It would work closely with UNIDO and its Members to advance inclusive and sustainable industrial development.

86. **Mr. Yousif Ibrahim** (State Minister, Ministry of Industry, Sudan) said that the 2013 session of the

UNIDO General Conference was to define new paths for the future and renew the international political commitment to inclusive and sustainable industrial development. It should enhance the role of UNIDO, within the international economic order, in meeting the needs and aspirations of the developing countries and the least developed countries for industrial development.

87. He appreciated the contribution of UNIDO to efforts to achieve the MDGs and stressed the need to continue to strengthen field operations and seek greater efficiency in the activities and programmes of UNIDO. The development strategy of the Sudan was aimed primarily at modernizing and developing the industrial sector, with a focus on the development of agro-industry. The Sudan had already achieved significant progress in the production of sugar, vegetable oils, dairy products and cement, in the pharmaceutical and food industries and in the alternative energy industry. In the next phase, the industrial strategy of the Sudan would be directed towards expanding capacity in most of those areas.

88. The industry of the Sudan had seen remarkable changes in recent times, clearly represented by its rate of growth, its attraction of foreign direct investment, the replacement of many imported goods and the development of exports. The Sudan had recently witnessed political and economic transformations which had necessitated the development of its productive capacity in all fields and the introduction of innovative models for the distribution of income sources and the promotion of economic growth.

89. In June 2013, an industrial modernization programme had been agreed upon between UNIDO and the Sudan for the next five years. It involved the further development of projects under implementation, together with new projects aimed at combating poverty through the promotion of productive activities, rehabilitation, training and capacity-building for young people and women, the expansion of training and vocational centres, cleaner production centres and projects for the development of national industry. The focus was on priority sectors such as textiles, leather, food industries, vegetable oils and engineering industries and chemical industries associated with agriculture, taking advantage of the experience of other countries.

90. His Government appreciated the tireless efforts of UNIDO to implement technical cooperation programmes in the Sudan and the contributions of donor countries and organizations to the implementation of UNIDO projects in the Sudan, which had had a great impact on their success. The Sudan hoped to continue constructive cooperation and urged UNIDO to develop its relations with international financial organizations and donor countries in order to mobilize financial resources needed for the implementation of agreed projects within the industrial modernization programme.

91. The Sudan was pleased to announce the organization of an international investment conference to be held in Khartoum in March 2014, with the aim of attracting direct investment, finance and the transfer of advanced technology to contribute to the development of the industrial sector. All organizations were invited to participate in that important conference.

92. The Sudan appreciated the efforts of UNIDO to promote South-South cooperation, North-South cooperation and trilateral cooperation, and establish new international partnerships with the public and private sectors in Member and non-member States and international and regional organizations and institutions.

93. It would be important to profit from the valuable "Strategic Guidance Document" drawn up by the informal working group on the future of UNIDO (IDB.14/24). Its recommendations would provide the basis for formulating a future plan of action for UNIDO, with programmes commensurate with the magnitude of the challenges facing Member States.

94. The Sudan wished to pay tribute to the constructive discussions that had taken place and the positive results that had been achieved within the framework of international efforts to implement the Istanbul Programme of Action for the LDCs for the Decade 2011-2020. It was confident that UNIDO would continue its efforts to help the LDCs, especially in Africa, to enhance their productivity and bring about inclusive and sustainable industrial development.

95. **Mr. Mohammed** (Cabinet Secretary, Ministry of Industrialization and Enterprise Development of Kenya) said that sustainable industrial development required an interplay of diverse actors through mutually beneficial partnerships. He welcomed the fact

that "UNIDO: towards partnerships for a new industrial revolution for inclusive and sustainable growth" had been chosen as the theme for the session and that a number of forum events had been organized, which would bring together not only high-level policymakers and experts on industrial development issues but also leading practitioners. He hoped that the solutions, experiences and recommendations shared would go beyond dialogue and be translated into concrete actions and partnerships after the session. Such positive outcomes would continue to emphasize the importance and value of UNIDO as a reliable partner in the quest for sustainable industrial development.

96. Economic growth was vital for the creation of sustainable job opportunities for all. Industrialization was critical for the sustainable growth of the economy as it created wealth and employment opportunities. The ongoing implementation by his Government of the economic blueprint "Kenya Vision 2030" placed great emphasis on industrial development as one of the key drivers of sustainable economic growth and wealth creation, and was evidence of his country's commitment to those issues.

97. As Kenya and other developing countries sought to bring about sustainable industrial development, it was important to build the capacities of national stakeholders in order to ensure that industry could be managed appropriately. He noted with appreciation that UNIDO had expanded activities to develop technical and entrepreneurial skills through both its Institute for Capacity Development and its partners.

98. With regard to UNIDO technical cooperation activities in Kenya, he invited the Secretariat to consider replicating successful pilot projects on a larger scale, incorporating the concept of industrial parks and including national stakeholder participation in project design and implementation.

99. UNIDO had been an important partner in African industrialization; that demonstrated the commitment of UNIDO to promoting and accelerating industrialization in developing countries and countries in transition.

100. The African Union Commission, with the support of UNIDO, had developed the Action Plan for the Accelerated Industrial Development of Africa (AIDA) to fast-track the industrialization process in Africa, and Kenya looked forward to UNIDO assistance in implementing that Plan. In its efforts to implement AIDA, Kenya had already finalized its National Industrialization Policy Framework and had participated in the development of the East African Community Industrialization Strategy and its action plans. In collaboration with the African Union Commission and UNIDO, Kenya had hosted the twentieth session of the Conference of African Ministers of Industry in June 2013 in Nairobi, under the theme "Accelerating industrialization for Africa within the post-2015 development agenda". Kenya reaffirmed its commitment to continued cooperation with UNIDO in its commendable endeavours in Africa and developing countries in other regions.

101. In a number of African countries, growing populations were increasingly demanding services and young people in particular were demanding jobs. That required States to double their efforts and refine and implement strategies that would facilitate their accelerated development. Kenya had developed an industrialization road map as part of its National Industrialization Policy, identifying the priority sectors that would drive rapid industrialization in Kenya. Kenya hoped that UNIDO would act as a partner in the implementation of that road map.

102. His delegation looked forward to the adoption of the Lima Declaration and to the implementation of its provisions.

103. **Mr. Niebel** (Federal Minister for Economic Cooperation and Development, Germany), speaking on behalf of the European Union, said that Turkey, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, Albania, Bosnia and Herzegovina, Norway, Ukraine, the Republic of Moldova and Armenia aligned themselves with his statement.

104. The presence of the Secretary-General of the United Nations at the current session underlined the importance of UNIDO in achieving the MDGs, sustainable development and poverty eradication, and encouraged consideration of inclusive and sustainable industrial development in the elaboration of the post-2015 development agenda.

105. The views of the EU as expressed at the most recent sessions of the Programme and Budget Committee and the Industrial Development Board had not changed. The EU endorsed the decisions adopted by those bodies in May and June 2013 respectively.

106. Cooperation between the EU and UNIDO was long-standing; 2013 marked the twentieth anniversary of the 1993 Relationship Agreement between the EU and UNIDO and the tenth anniversary of the Financial and Administrative Framework Agreement. Regular dialogues were held, during which strategic priorities were discussed, lessons learned from previous cooperation were considered and future challenges were identified. UNIDO had been involved in the European Development Days in Brussels in 2013 and in the preparations for the 2014 Africa-EU Summit. Many joint projects were being implemented and prepared.

107. Both partners recognized the value of past and ongoing cooperation aimed at supporting inclusive, sustained growth for human development in developing countries. Poverty eradication and sustainable development would remain a priority and should be addressed through integrated and innovative approaches in the context of the post-2015 development agenda. The EU and UNIDO had agreed to continue their cooperation on inclusive and sustainable industrial development with a view to encouraging Governments, the private sector and civil society to implement strategies that combined wealth and job creation and environmental sustainability in the framework of the EU's Agenda for Change, particularly in the areas of inclusive and sustainable growth for human development, business environment, regional integration and the world market, sustainable agribusiness and sustainable industry-related energy.

108. The EU was committed to: promoting businesses, the private sector and market access; supporting the development of competitive local private sectors, including by building local institutional and business capacity; promoting small and medium enterprises and cooperatives; and supporting legislative and regulatory framework reform. The EU would develop new ways of engaging with the private sector, notably with a view to leveraging private sector activity and resources for delivering public goods.

109. The EU was also committed to promoting productive employment for inclusive growth, with a special emphasis on young people, and to fostering entrepreneurship development. It sought to promote an environment in which jobs would be created through the development and creation of micro, small and medium enterprises and to increase the quality of financial and non-financial services provided by public and private institutions and access to finance and markets for that purpose.

110. The EU looked forward to working with UNIDO towards successfully addressing common priorities and seizing opportunities related to the post-2015 development agenda. That agenda should reinforce the international community's commitment to poverty eradication and sustainable development with inclusive and sustainable industrial development as a key component, and should also prioritize economic transformation and growth with a view to eradicating inequality and extreme poverty and improving livelihoods — inter alia, by creating opportunities for decent jobs adding value, raising productivity and creating a sustainable environment enabling business to flourish.

111. UNIDO was important as a central coordinator for international industrial cooperation in the United Nations system. UNIDO had been contributing successfully to the achievement of the MDGs and would be able to further increase its relevance in, and contribute significantly to, the post-2015 development agenda.

112. The EU reaffirmed that an inclusive and equitable sustainable economy was an important tool in achieving poverty eradication and sustainable development, and underlined its commitment in that regard through such policies as "Europe 2020", a strategy for smart, sustainable and inclusive growth.

113. In all relevant international processes, the EU was integrating into a single coherent process the review of the MDGs and the Open Working Group on Sustainable Development Goals . The outcome of that work should build on the progress made towards the MDGs, ensure that existing goals were achieved, address remaining gaps, ensure a rights-based approach — encompassing all human rights — and promote the sustainable prosperity and well-being of all.

114. The EU welcomed the progress made in the elaboration of the post-2015 development agenda and regarded the Secretary-General's High-level Panel of Eminent Persons on the Post-2015 Development Agenda, the Open Working Group on Sustainable Development Goals and the regional, national and thematic consultations led by the United Nations

system as important contributions to the development of the framework.

115. With respect to the road map for the post-2015 development agenda, the EU appreciated that key elements had already been agreed upon and recognized that there was a need for a coherent approach that would integrate the three dimensions of sustainable development in a balanced manner and comprise a single universal framework, including a set of goals and reference to peace and security, gender equality, human rights, the rule of law and democratic governance. The EU welcomed the engagement of UNIDO in the post-2015 process and other relevant dialogues aimed at highlighting the importance of industrial development for poverty reduction.

116. The EU welcomed the adoption of the Lima Declaration, which should prepare UNIDO well for its role in the new development framework.

117. The EU valued highly the exchange of information between the Secretariat and Member States and asked the Secretariat to organize regular briefings on UNIDO activities.

118. Speaking on behalf of Germany, he said that inclusive and sustainable industrial development was essential for the creation of decent jobs and for poverty reduction. The Lima Declaration underlined that UNIDO should concentrate its activities mainly in that field, in which it was already doing important work. Germany would like UNIDO to sharpen its profile as a world leader on industrial policy, especially with regard to poverty reduction through productive activities, where it could demonstrate its specific know-how and comparative advantages.

119. UNIDO activities should be focused on its core mandate of inclusive and sustainable industrial development, which should be further strengthened. That mandate gave the Organization a unique role within the United Nations family and remained highly relevant to global governance and to developing countries, emerging economies and developed States.

120. Germany regarded as core activities: the development of national and regional industrial strategies and policies; the development of value chains, especially for innovative branches and those with a high impact on efforts to fight poverty; the building of trade capacity; the implementation of standards; and the development of the private sector, including institution-building.

121. The Organization's work in the area of trade capacity-building was important. The division of labour in the international field should be maintained as an important source of wealth. Developing countries should be better integrated in international trade through assistance in capacity-building.

The meeting rose at 12.45 p.m.